



General Assembly

February Session, 2016

Raised Bill No. 26

LCO No. 517



Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:
(HED)

AN ACT CONCERNING PRIVATE OCCUPATIONAL SCHOOLS.

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 10a-22b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2016*):

3 (a) No person, board, association, partnership, corporation, limited
4 liability company or other entity shall offer instruction in any form or
5 manner in any trade or in any industrial, commercial, service,
6 professional or other occupation unless such person, board,
7 association, partnership, corporation, limited liability company or
8 other entity first receives from the executive director a certificate
9 authorizing the occupational instruction to be offered.

10 (b) Except for initial authorizations, the executive director shall
11 accept institutional accreditation by an accrediting agency recognized
12 by the United States Department of Education, in satisfaction of the
13 requirements of this section and section 10a-22d, as amended by this
14 act, including the evaluation and attendance requirement, unless the

15 executive director finds reasonable cause not to rely upon such
16 accreditation. Except for initial authorizations, the executive director
17 may accept programmatic accreditation in satisfaction of the
18 requirements of this section and section 10a-22d, as amended by this
19 act, with regard to instruction offered by a hospital pursuant to
20 subsection (h) of this section unless the executive director finds
21 reasonable cause not to rely upon such accreditation.

22 (c) Each person, board, association, partnership, corporation, limited
23 liability company or other entity which seeks to offer occupational
24 instruction shall submit to the executive director, or the executive
25 director's designee, in such manner as the executive director, or the
26 executive director's designee, prescribes, an application for a certificate
27 of authorization which includes, but need not be limited to, (1) the
28 proposed name of the school; (2) ownership and organization of the
29 school including the names and addresses of all principals, officers,
30 members and directors; (3) names and addresses of all stockholders of
31 the school, except for applicants which are listed on a national
32 securities exchange; (4) addresses of any building or premises on
33 which the school will be located; (5) description of the occupational
34 instruction to be offered; (6) the proposed student enrollment
35 agreement, which includes for each program of occupational
36 instruction offered a description, in plain language, of any
37 requirements for employment in such occupation or barriers to such
38 employment pursuant to state law or regulations; (7) the proposed
39 school catalog, which includes for each program of occupational
40 instruction offered a description of any requirements for employment
41 in such occupation or barriers to such employment pursuant to state
42 law or regulations; (8) financial statements detailing the financial
43 condition of the school pursuant to subsection (d) of this section and
44 subsection (g) of section 10a-22d prepared by management and
45 reviewed or audited by an independent licensed certified public
46 accountant or independent licensed public accountant; and (9) an
47 agent for service of process. Each application for initial authorization

48 shall be accompanied by a nonrefundable application fee made
49 payable to the private occupational school student protection account
50 in the amount of two thousand dollars for the private occupational
51 school and two hundred dollars for each branch of a private
52 occupational school in this state.

53 (d) Each person, board, association, partnership, corporation,
54 limited liability company or other entity seeking to offer occupational
55 instruction shall have a net worth consisting of sufficient liquid assets
56 or produce other evidence of fiscal soundness to demonstrate the
57 ability of the proposed private occupational school to operate, achieve
58 all of its objectives and meet all of its obligations, including those
59 concerning staff and students, during the period of time for which the
60 authorization is sought.

61 (e) Upon receipt of a complete application pursuant to subsection (c)
62 of this section, the executive director shall cause to be conducted an
63 evaluation of the applicant school. [Thereafter] Not later than sixty
64 days (1) after receipt of a complete application for initial authorization,
65 or (2) prior to expiration of the authorization of a private occupational
66 school applying to renew its certificate of authorization pursuant to
67 section 10a-22d, as amended by this act, the executive director, or the
68 executive director's designee, shall appoint an evaluation team,
69 pursuant to subsection (f) of this section, to conduct such evaluation of
70 the applicant school. Not later than one hundred twenty days
71 following the completed appointment of the evaluation team, the
72 executive director shall [advise] notify the applicant school of
73 authorization or nonauthorization. [not later than one hundred twenty
74 days following the completed appointment of an evaluation team
75 pursuant to subsection (e) of this section.] The executive director may
76 consult with the Labor Department and may request the advice of any
77 other state agency which may be of assistance in making a
78 determination. In the event of nonauthorization, [by] the executive
79 director [, he] shall set forth the reasons therefor in writing and the
80 applicant school may request in writing a hearing before the executive

81 director. Such hearing shall be held in accordance with the provisions
82 of chapter 54.

83 (f) For purposes of an evaluation of an applicant school, the
84 executive director, or the executive director's designee, shall appoint
85 an evaluation team which shall include (1) at least two members
86 representing the Office of Higher Education, and (2) at least one
87 member for each of the areas of occupational instruction for which
88 authorization is sought who shall be experienced in such occupation.
89 The applicant school shall have the right to challenge any proposed
90 member of the evaluation team for good cause shown. A written
91 challenge shall be filed with the executive director within ten business
92 days following the appointment of such evaluation team. In the event
93 of a challenge, a decision shall be made thereon by the executive
94 director within ten business days from the date such challenge is filed,
95 and if the challenge is upheld the executive director shall appoint a
96 replacement. Employees of the state or any political subdivision of the
97 state may be members of evaluation teams. The executive director, or
98 the executive director's designee, shall not appoint any person to an
99 evaluation team unless the executive director, or such designee, has
100 received from such person a statement that the person has no interest
101 which is in conflict with the proper discharge of the duties of
102 evaluation team members as described in this section. The statement
103 shall be on a form prescribed by the executive director and shall be
104 signed under penalty of false statement. [Members of the evaluation
105 team shall serve without compensation.] Except for any member of the
106 evaluation team who is a state employee, members may be
107 compensated for their service at the discretion of the executive director
108 and shall be reimbursed for actual expenses, which expenses shall be
109 charged to and paid by the applicant school.

110 (g) The evaluation team appointed pursuant to subsection (f) of this
111 section shall: (1) Conduct an on-site inspection; (2) submit a written
112 report outlining any evidence of noncompliance; (3) give the school
113 [sixty] thirty days from the date of the report to provide evidence of

114 compliance; and (4) submit to the executive director a written report
115 recommending authorization or nonauthorization not later than one
116 hundred twenty days after the on-site inspection. The evaluation team
117 shall determine whether (A) the quality and content of each course or
118 program of instruction, including, but not limited to, residential, on-
119 line, home study and correspondence, training or study shall
120 reasonably and adequately achieve the stated objective for which such
121 course or program is offered; (B) the school has adequate space,
122 equipment, instructional materials and personnel for the instruction
123 offered; (C) the qualifications of directors, administrators, supervisors
124 and instructors shall reasonably and adequately assure that students
125 receive education consistent with the stated objectives for which a
126 course or program is offered; (D) students and other interested persons
127 shall be provided with a catalog or similar publication describing the
128 courses and programs offered, course and program objectives, length
129 of courses and programs, schedule of tuition, fees and all other charges
130 and expenses necessary for completion of the course or program, and
131 termination, withdrawal and refund policies; (E) upon satisfactory
132 completion of the course or program, each student shall be provided
133 appropriate educational credentials by the school; (F) adequate records
134 shall be maintained by the school to show attendance and grades, or
135 other indicators of student progress, and standards shall be enforced
136 relating to attendance and student performance; (G) the applicant
137 school shall be financially sound and capable of fulfilling its
138 commitments to students; (H) any student housing owned, leased,
139 rented or otherwise maintained by the applicant school shall be safe
140 and adequate; and (I) the school and any branch of the school in this
141 state has a director located at the school or branch who is responsible
142 for daily oversight of the school's or branch's operations. The
143 evaluation team may also indicate in its report such recommendations
144 as may improve the operation of the applicant school.

145 (h) Any hospital offering instruction in any form or manner in any
146 trade, industrial, commercial, service, professional or other occupation

147 for any remuneration, consideration, reward or promise, except to
148 hospital employees, members of the medical staff and training for
149 contracted workers, shall obtain a certificate of authorization from the
150 executive director for the occupational instruction offered. Each
151 hospital-based occupational school submitting an application for initial
152 authorization shall pay an application fee of two hundred dollars
153 made payable to the private occupational school student protection
154 account. The executive director shall develop a process for prioritizing
155 the authorization of hospital-based occupational schools based on size
156 and scope of occupational instruction offered. Such schools shall be in
157 compliance with this section when required pursuant to the executive
158 director's process, or by 2012, whichever is earlier.

159 (i) Any program, school or other entity offering instruction in any
160 form or manner in barbering or hairdressing for any remuneration,
161 consideration, reward or promise shall obtain a certificate of
162 authorization from the executive director of the Office of Higher
163 Education for the occupational instruction offered. Each program,
164 school or entity approved on or before July 1, 2013, by the Connecticut
165 Examining Board for Barbers, Hairdressers and Cosmeticians pursuant
166 to chapter 368 or 387 that submits an application for initial
167 authorization shall pay an application fee of five hundred dollars
168 made payable to the private occupational school student protection
169 account. The executive director of the Office of Higher Education shall
170 develop a process for prioritizing the authorization of such barber and
171 hairdressing programs, schools and entities. Such programs, schools
172 and entities shall be in compliance with this section on or before July 1,
173 2015, or when required pursuant to the executive director's process,
174 whichever is earlier. No person, board, association, partnership
175 corporation, limited liability company or other entity shall establish a
176 new program, school or other entity that offers instruction in any form
177 or manner in barbering or hairdressing on or after July 1, 2013, unless
178 such person, board, association, partnership, corporation, limited
179 liability company or other entity first receives from the executive

180 director of the Office of Higher Education a certificate authorizing the
181 barbering or hairdressing occupational instruction to be offered in
182 accordance with the provisions of this section.

183 Sec. 2. Subsection (c) of section 10a-22d of the general statutes is
184 repealed and the following is substituted in lieu thereof (*Effective July*
185 *1, 2016*):

186 (c) Renewal of the certificate of authorization shall be granted only
187 upon (1) payment of a nonrefundable renewal fee to the Office of
188 Higher Education in the amount of two hundred dollars for the private
189 occupational school and two hundred dollars for each branch of a
190 private occupational school, (2) submission of any reports or audits, as
191 prescribed by the executive director or the executive director's
192 designee, concerning the fiscal condition of the private occupational
193 school or its continuing eligibility to participate in federal student
194 financial aid programs, (3) the filing with the executive director of a
195 complete application for a renewed certificate of authorization not less
196 than one hundred twenty days prior to the termination date of the
197 most recent certificate of authorization, and (4) a determination that
198 the private occupational school meets all the conditions of its recent
199 authorization, including, but not limited to, at the discretion of the
200 executive director, evidence that such school is current on its rent or
201 mortgage obligations, and the filing of documentation with the
202 executive director that the private occupational school has a passing
203 financial ratio score as required by 34 CFR 668, as amended from time
204 to time.

205 Sec. 3. Subsection (a) of section 10a-22g of the general statutes is
206 repealed and the following is substituted in lieu thereof (*Effective July*
207 *1, 2016*):

208 (a) A private occupational school which is authorized by the
209 executive director pursuant to sections 10a-22a to 10a-22o, inclusive,
210 and sections 10a-22u to 10a-22w, inclusive, may request authorization

211 to establish and operate additional classroom sites or branch schools
212 for the purpose of offering the occupational instruction authorized by
213 the executive director, provided the additional classroom site or
214 branch school complies with the provisions of subsection (b) of this
215 section. Such school shall make such request for authorization to
216 operate an additional classroom site or branch school, in the manner
217 and on such forms as prescribed by the executive director, at least
218 [thirty] sixty days prior to the proposed establishment of such
219 additional classroom site or branch school.

220 Sec. 4. Section 10a-22a of the general statutes is repealed and the
221 following is substituted in lieu thereof (*Effective July 1, 2016*):

222 As used in sections 10a-22a to 10a-22y, inclusive:

223 (1) "Private occupational school" means a postsecondary career
224 school operated by a person, board, association, partnership,
225 corporation, limited liability company or other entity offering
226 instruction in any form or manner in any trade, industrial, commercial,
227 service, professional or other occupation for any remuneration,
228 consideration, reward or promise of whatever nature, including, but
229 not limited to, a hospital-based occupational school, hairdressing
230 school and barber school, except "private occupational school" shall
231 not include (A) instruction offered under public supervision and
232 control; (B) instruction conducted by a firm or organization solely for
233 the training of its own employees or members; or (C) instruction
234 offered by a school authorized by the General Assembly to confer
235 degrees;

236 (2) "Additional classroom site" means a facility that (A) is
237 geographically located close to the school or branch that oversees the
238 site, such that students must utilize services provided at such school or
239 branch, (B) conducts permanent or temporary educational activities,
240 and (C) offers courses or full programs of study;

241 (3) "Branch" means a subdivision of a school (A) located at a

242 different facility and geographical site from the school, except for a site
243 that is an additional classroom site as determined by the executive
244 director, or the executive director's designee, and (B) that (i) offers one
245 or more complete programs leading to a diploma or certificate; (ii)
246 operates under the school's certificate of operation; (iii) meets the same
247 conditions of authorization as the school; and (iv) exercises
248 administrative control and is responsible for its own academic affairs;
249 and

250 (4) "Executive director" means the executive director of the Office of
251 Higher Education.

252 (5) "Postsecondary career school" means an institution authorized to
253 operate educational programs beyond secondary education.

254 Sec. 5. Subsections (h) and (i) of section 10a-22b of the general
255 statutes are repealed and the following is substituted in lieu thereof
256 (*Effective July 1, 2016*):

257 (h) Any hospital offering postsecondary career instruction in any
258 form or manner in any trade, industrial, commercial, service,
259 professional or other occupation for any remuneration, consideration,
260 reward or promise, except to hospital employees, members of the
261 medical staff and training for contracted workers, shall obtain a
262 certificate of authorization from the executive director for the
263 occupational instruction offered. Each hospital-based occupational
264 school submitting an application for initial authorization shall pay an
265 application fee of two hundred dollars made payable to the private
266 occupational school student protection account. The executive director
267 shall develop a process for prioritizing the authorization of hospital-
268 based occupational schools based on size and scope of occupational
269 instruction offered. Such schools shall be in compliance with this
270 section when required pursuant to the executive director's process, or
271 by 2012, whichever is earlier.

272 (i) Any program, school or other entity offering postsecondary

273 career instruction in any form or manner in barbering or hairdressing
274 for any remuneration, consideration, reward or promise shall obtain a
275 certificate of authorization from the executive director of the Office of
276 Higher Education for the occupational instruction offered. Each
277 program, school or entity approved on or before July 1, 2013, by the
278 Connecticut Examining Board for Barbers, Hairdressers and
279 Cosmeticians pursuant to chapter 368 or 387 that submits an
280 application for initial authorization shall pay an application fee of five
281 hundred dollars made payable to the private occupational school
282 student protection account. The executive director of the Office of
283 Higher Education shall develop a process for prioritizing the
284 authorization of such barber and hairdressing programs, schools and
285 entities. Such programs, schools and entities shall be in compliance
286 with this section on or before July 1, 2015, or when required pursuant
287 to the executive director's process, whichever is earlier. No person,
288 board, association, partnership corporation, limited liability company
289 or other entity shall establish a new program, school or other entity
290 that offers instruction in any form or manner in barbering or
291 hairdressing on or after July 1, 2013, unless such person, board,
292 association, partnership, corporation, limited liability company or
293 other entity first receives from the executive director of the Office of
294 Higher Education a certificate authorizing the barbering or
295 hairdressing occupational instruction to be offered in accordance with
296 the provisions of this section.

297 Sec. 6. Subsection (d) of section 10a-22c of the general statutes is
298 repealed and the following is substituted in lieu thereof (*Effective July*
299 *1, 2016*):

300 (d) No certificate to operate a new private occupational school shall
301 be issued by the executive director pursuant to section 10a-22d until
302 such private occupational school seeking authorization files with the
303 executive director an irrevocable letter of credit issued by a bank with
304 its main office or branch located within this state in the penal amount
305 of forty thousand dollars guaranteeing the payments required of the

306 school to the private occupational school student protection account in
307 accordance with the provisions of section 10a-22u. The letter of credit
308 shall be payable to the private occupational school student protection
309 account in the event that such school fails to make payments to the
310 account as provided in subsection (a) of section 10a-22u or in the event
311 the state takes action to reimburse the account for a tuition refund paid
312 to a student pursuant to the provisions of section 10a-22v, provided
313 the amount of the letter of credit to be paid into the private
314 occupational school student protection account shall not exceed the
315 amounts owed to the account. In the event a private occupational
316 school fails to close in accordance with the provisions of section 10a-
317 22m, as amended by this act, the executive director may seize the letter
318 of credit, which shall be made payable to the private occupational
319 school protection account. The letter of credit required by this
320 subsection shall be released twelve years after the date of initial
321 approval, provided evidence of fiscal soundness has been verified.

322 Sec. 7. Section 10a-22m of the general statutes is amended by adding
323 subsections (d) and (e) as follows (*Effective July 1, 2016*):

324 (NEW) (d) In the event a private occupational school fails to meet
325 the requirements set forth in subsection (a) of this section and closes
326 prior to graduating all current students, the executive director may
327 seize the letter of credit filed by the private occupational school
328 pursuant to subsection (d) of section 10a-22c, as amended by this act,
329 and such letter of credit shall be made payable to the private
330 occupational school student protection account. The executive director
331 may expend funds from the private occupational school student
332 protection account as necessary to facilitate a teach-out of any
333 remaining students up to and including the issuance of a certificate of
334 completion pursuant to subsection (e) of this section. For purposes of
335 this subsection and subsection (e) of this section, (1) "teach-out" means
336 the completion of instruction of a course or program of study in which
337 a student was enrolled, provided the teach-out includes instruction of
338 the entire program of study when a course is a part of such program of

339 study, and (2) "certificate of completion" means the credential,
 340 documented in writing, that is issued to a student who completes a
 341 course or program of study offered by a private occupational school.

342 (NEW) (e) In the event of a private occupational school closure that
 343 fails to meet the requirements set forth in subsection (a) of this section,
 344 the executive director may issue a certificate of completion to each
 345 student that, in the executive director's determination, has successfully
 346 completed the student's course or program of study in which the
 347 student was enrolled at the private occupational school.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016</i>	10a-22b
Sec. 2	<i>July 1, 2016</i>	10a-22d(c)
Sec. 3	<i>July 1, 2016</i>	10a-22g(a)
Sec. 4	<i>July 1, 2016</i>	10a-22a
Sec. 5	<i>July 1, 2016</i>	10a-22b(h) and (i)
Sec. 6	<i>July 1, 2016</i>	10a-22c(d)
Sec. 7	<i>July 1, 2016</i>	10a-22m

Statement of Purpose:

To make certain changes to the statutes concerning the approval and authorization of private occupational schools.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]